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FINNISH CENTRE FOR PENSIONS, REPORTS

## EXECUTIVE SUMMARY

Markku Nurminen

## Working-life expectancy in Finland: trends and differentials 2000–2015

*A multistate regression modeling approach*

Working-life expectancy is the expected number of working years remaining in one's life at a particular age. This report is concerned with its estimation jointly with the expected times spent in the related states of unemployment and outside the labor force.

This research employs a modern statistical method, which has previously been applied to Finnish data from 1980 to 2001. The multistate life table approach first estimates age- and year-specific probabilities of being in the different labor market states by stochastic regression modeling. Updated estimates of the probabilities, and subsequently of the expectancies, are given for the Statistics Finland's Labour Force Survey data of Finnish men and women aged 15–64 years in the period 2000–2010, along with mortality figures. Further, model-based predictions are projected for the years 2011–2015.

According to the results, a general development toward longer working careers is evident. During the past decade, the expected future employment time increased in all age groups and for both genders. In 2010, the estimated average length of working career up to age 64 was 34.6 (95% confidence interval, 34.3–34.8) years for 15-year-old males, while it tailed at 34.0 (33.6–34.4) years for females of the same age. There was an increase of 10 percentage points or more in the working-life expectancies in the study period for females starting already at age 30 and for males from age 45 on. The female working-life expectancies at ages 40 years and above surpassed the respective male figures from 2008 onwards.

Based on the predicted durations of 15-year-old persons' working life expectancies, the working careers could continue to grow: for males by one year to 35.6 (90% prediction interval, 34.8–36.4) years; for females by nearly a year and a half to 35.4 (35.3–35.5) years. The gender gap in the length of working careers would diminish further. The female working-life expectancies for ages 35 years and above is predicted to overtake the respective male figure by year 2015.

The results on educational differences support the anticipation that younger and better-educated cohorts are able to prolong their working lives as they grow older. There were conspicuous differences in the working-life expectancies between persons with tertiary vs. primary level of educational attainment.

The length of working lives in Finland has extended favorably in the 2000s, and the trend is forecast to continue up to 2015 under the provision of economic equilibrium.

**More information:**

Markku Nurminen

Markstat Consultancy

E-mail: [markku.nurminen@markstat.net](mailto:markku.nurminen@markstat.net)

Telephone: +358 50 576 9290

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**Finnish Centre for Pensions**  
ELÄKETURVAKESKUS

**Finnish Centre for Pensions**

FI-00065 Eläketurvakeskus Finland

Telephone +358 29 411 20

Fax +358 9 148 1172

**Eläketurvakeskus**

00065 ELÄKETURVAKESKUS

Puhelin 029 411 20

Faksi 09 148 1172

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